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COMMUNITY DEVELOPMENT

A Survey of CDFI Organizations' Use of Performance Measurement



**Resources, Community, and
Economic Development Division**

B-280785

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Congressional Committees

Access to credit and investment capital is essential for creating and retaining jobs, developing affordable housing, revitalizing neighborhoods, and promoting the development and growth of small businesses. In economically distressed communities, where access to credit and investment capital through conventional sources is often limited, private for-profit and nonprofit community development financial institutions (CDFI), such as nonprofit loan funds and community development credit unions, provide lending and investment services. Recognizing the proven ability of CDFIs to identify and respond to communities' financial needs, the Congress, in 1994, created the CDFI Fund¹ to support investment in and assistance to CDFIs. The Fund's overall mission is to promote economic revitalization and community development, primarily through two programs, the CDFI and Bank Enterprise Award (BEA) programs: The CDFI program provides financing and technical assistance to CDFIs, while the BEA program rewards banks and thrifts for providing similar services to CDFIs and economically distressed communities.

Responding to a mandate in the 1994 authorizing legislation, we evaluated the performance of the Fund by focusing on the Fund's development of performance measurement during the first round of awards, made in 1996, in the CDFI and BEA programs. The results of this evaluation appear in our report Community Development: CDFI Fund Can Improve Its Systems to Measure, Monitor, and Evaluate Awardees' Performance (GAO/RCED-98-225, July 15, 1998) and in testimony before the Congress.² To describe the general use of performance measurement by CDFI organizations, we surveyed 925 such organizations that were members of a national CDFI trade organization, had applied to the CDFI Fund for an award, or had been certified by the Fund as a CDFI.³ This report presents the results of our survey, describing the characteristics of the 623 CDFI organizations that responded to the survey and discussing the extent to which they reported

¹Title I, subtitle A, of the Riegle Community Development and Regulatory Improvement Act of 1994 (P.L. 103-325, Sept. 23, 1994).

²Community Development: Early Results of the Community Development Financial Institutions Fund's Programs (GAO/T-RCED-98-198, May 13, 1998; GAO/T-RCED-98-229, June 17, 1998).

³The Fund's certification signifies that a CDFI is eligible to participate in the CDFI program, but it does not constitute an opinion on the CDFI's financial viability or indicate that the CDFI will receive an award from the Fund. Noncertified CDFIs include organizations that, at the time of our survey, had not sought or were in the process of seeking certification from the Fund.

using performance measurement to assess their progress toward their goals.

Results in Brief

Of the CDFIs that responded to our survey, about 70 percent have been in existence for more than 6 years, and about 74 percent have less than \$5 million in assets in their loan and/or investment portfolios. Approximately 88 percent of the respondents indicated that they provide lending services for such areas as community development, housing, and/or small businesses, while about 20 percent reported providing equity capital for businesses. The respondents also reported that they target their services to specific populations, such as low-income and moderate-income persons, members of minority groups, and women. The characteristics reported by CDFIs that had been certified by the Fund differed to some extent from those reported by noncertified CDFIs. For example, the certified CDFIs tended to be older and to have larger loan portfolios than the noncertified CDFIs.

The CDFIs also reported using several key elements of performance measurement, including goals, measures, business or strategic plans, and program evaluations. Six general community or economic development goals were identified as primary by over half of the respondents.⁴ Helping to revitalize a targeted community was the most commonly selected community development goal; furthermore, it was the only such goal selected by a majority of the respondents as primary for their organization. In addition, at least three specific goals were identified by over half of the respondents for each type of service⁵ they provide. The most frequently reported goals for each of the financial services provided were providing affordable services (nonlending), providing affordable loans (lending) and retaining or expanding existing businesses (capital investment). More important, respondents reported measuring both activities (such as the number of loans made) and accomplishments (such as the net number of jobs created or retained) to assess their progress toward their specific goals. For instance, four activity measures were identified as most important for assessing progress by at least 56 percent of the respondents providing lending services, and four accomplishment measures were identified as most important by at least 53 percent of these respondents.

⁴For each survey question pertaining to goals and measures, respondents were instructed to select all of the choices that applied to their organization. Therefore, these six goals may not have been selected by the same set of CDFIs. This is the case wherever the percentage of responses concerning goals and measures is presented.

⁵Our survey asked the CDFIs for information about their goals and measures for four types of services—nonlending, lending, capital investment, and technical assistance and training.

These activity measures included the number and dollar amount of their loans and the number of borrowers. The number of borrowers performing successfully on existing loans was the most frequently reported measure of lending accomplishments. Additionally, the respondents reported maintaining a variety of operational statistics to help assess their progress. Almost 90 percent reported having either a business or a strategic plan, and about 56 percent reported that an evaluation had been conducted, either internally or externally, to measure the success or impact of their services.

Appendix I provides further analyses of the performance goals and measures reported by the CDFIs. A more detailed discussion of our methodology appears in appendix II. Our survey instrument and the aggregated responses to it can be found in appendix III.

Background

CDFIs are private profit-making and nonprofit financial institutions that provide financial services to distressed geographic areas and populations that are underserved by conventional lenders and investors. The following are common types of CDFI organizations:⁶

Community Development Bank: A community development organization centered around a bank or savings and loan that combines the structure and expertise of a profit-making financial institution with a commitment to a distressed place or population.

Community Development Credit Union: A financial cooperative owned and operated by lower-income persons. It provides financial services to its members, including savings and checking accounts and loans for homes, cars, or other personal needs.

Nonprofit Community Development Loan Fund: A financial intermediary that raises capital from individuals and institutional investors, churches, businesses, and foundations, at below-market rates, and relends these funds primarily to community-based organizations and businesses and nonprofit developers in low-income urban or rural communities.

Microenterprise Loan Fund: An entity that receives funding from a private or nonprofit foundation, government agency, or private bank and generally provides technical assistance and loans, ranging from as little as \$500 to

⁶Other types of community-based organizations that may be considered CDFIs include community development corporations, community action agencies, neighborhood housing service organizations, housing loan funds, and small business loan funds.

\$10,000, to start up or expand self-help business opportunities for low-income individuals.

Community Development Venture Capital Fund: An entity that provides managerial support, along with equity and debt with equity features, to businesses (typically manufacturing based) located in low-income communities.

Although two types of CDFIs—community development banks and credit unions—are regulated and insured by the Federal Deposit Insurance Corporation and the National Credit Union Share Insurance Fund, respectively, the remaining types of CDFIs are generally unregulated.

The CDFI Fund, located within the Department of the Treasury, administers the CDFI and BEA programs, which provide financial and technical assistance to CDFIs either directly or through conventional banks and thrifts.⁷ The Fund provides this assistance to enhance the CDFIs' ability to make loans and investments and to provide services for economically distressed communities, targeted populations, or both. Before receiving any financial assistance through the CDFI program, a CDFI must be certified by the Fund. The Fund certifies a CDFI after determining, among other things, that it has a primary mission of promoting community development, its predominant business activity is lending or investing in development, and it serves (an) economically distressed investment area(s) or targeted population(s). While the program's regulations allow an uncertified CDFI to apply and be selected for an award, the CDFI will not receive financial assistance until it has been certified. The Fund requires CDFIs to be recertified every 2 years. As of March 1998, the Fund had certified 205 CDFIs. The total number of CDFIs nationwide that could be certified by the Fund is unknown. Of the 623 CDFIs that responded to our survey, 144, or about 23 percent, reported being certified by the Fund.

Performance measurement is a management tool that is used in both the private and the public sectors to track the progress of an organization toward its objectives. The federal government's standards for performance measurement were established in the Government Performance and Results Act of 1993, referred to as the Results Act. The act's provisions apply to federal executive agencies, including the Department of the Treasury, of which the CDFI Fund is a part. The act and the Office of Management and Budget's implementing guidance describe the key

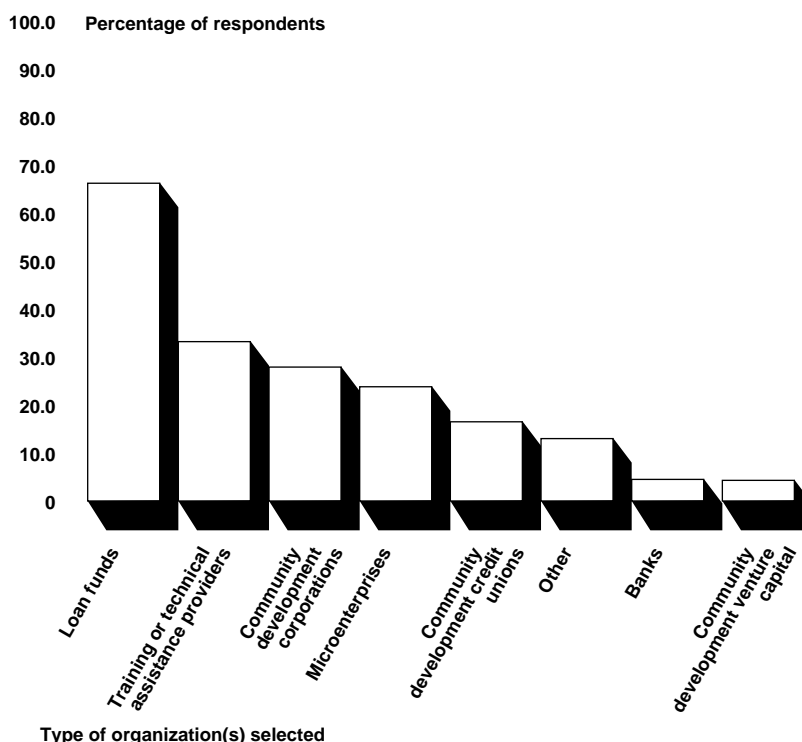
⁷The CDFI Fund received appropriations totaling \$225 million from fiscal year 1995 through fiscal year 1998.

elements of performance measurement, which include strategic plans, performance goals and measures, and program evaluations. Strategic plans are a tool for organizations to use in setting their priorities and allocating their resources in accordance with these priorities. Performance goals are targeted levels of performance against which actual achievement can be compared. Performance measures are particular values or characteristics used to measure activities or accomplishments. While recognizing that both activity and accomplishment measures are useful for evaluating performance, the Results Act and its implementing guidance encourage the use of accomplishment measures. Accomplishment measures monitor the effects associated with agencies' activities, while activity measures simply track agencies' actions. Lastly, program evaluations are used to assess the manner and extent to which organizations achieve their intended objectives. The integrated use of these elements, along with others, enables an organization to assess its progress toward its objectives.

CDFI Field Consists of Diverse Organizations

The CDFI field, as described in the responses to our survey, consists of a diverse group of CDFI organizations, dominated by loan funds (see fig. 1). Furthermore, about one-third of the respondents described their organization as a multifaceted entity, performing more than one type of CDFI financial function. For example, a responding organization may have characterized itself as both a community development corporation and a community development loan fund.

**Figure 1: Types of CDFI Organizations:
Characteristics of Respondents**



Source: GAO's analysis of survey data.

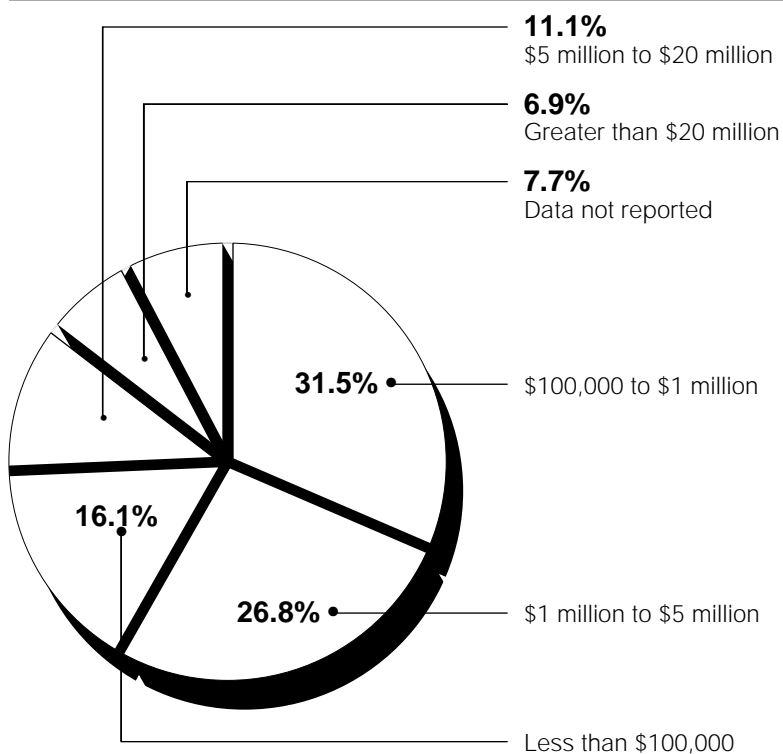
Note 1: Because respondents could select more than one classification, the percentages total more than 100 percent.

Note 2: "Loan funds" includes the categories "community development loan funds," "housing loan funds," and "small business loan funds." "Other" includes the category "national intermediaries" and other types of CDFIs such as community action agencies and faith-based organizations. "Banks" includes the categories "community development bank or bank holding company" and "other banks."

In addition, the field consists of fairly mature organizations with relatively small loan and/or investment portfolios. Many of these CDFIs predate the CDFI Fund; approximately 70 percent of the respondents indicated that they had been in existence for over 6 years. In addition, about 74 percent

of the respondents indicated that their loan and/or investment portfolios contained less than \$5 million in assets. Specifically, almost half (47.6 percent) of the respondents reported total assets in their loan and/or investment portfolios of less than \$1 million, while only about 7 percent of the respondents reported portfolios of over \$20 million (see fig. 2).

Figure 2: Total Assets in CDFIs' Loan/Investment Portfolios



Source: GAO's analysis of survey data.

The primary services reportedly provided by respondents were lending to individuals (56 percent) and businesses (50 percent), followed by providing technical assistance to businesses (46 percent) and training (40 percent). According to the respondents, the populations most frequently targeted to receive services were low-income persons

(84 percent), moderate-income persons (60 percent), minorities (57 percent), and women (49 percent).

About 23 percent of the respondents had been certified by the CDFI Fund at the time of our survey. Within each CDFI category, the certified respondents, when compared with the noncertified respondents, were more likely to identify themselves as community development credit unions, community development banks, and/or loan funds. The certified CDFIs also tended to be slightly older and to have larger loan or investment portfolios than the noncertified CDFIs. For example, 17 percent of the certified CDFIs reported having assets in their loan/investment portfolio of over \$20 million, whereas only 4 percent of the noncertified CDFIs reported assets of such magnitude. In contrast, only 2 percent of the certified CDFIs reported assets of less than \$100,000, whereas 23 percent of the noncertified CDFIs reported assets in this range. Certified CDFIs also reported providing proportionately more financial services than their noncertified counterparts. For instance, certified CDFIs were more likely than noncertified CDFIs to provide lending services (97 percent compared with 87 percent) and nonlending services to depositors, shareholders, or members (40 percent compared with 27 percent).

CDFIs Reported Wide Use of Performance Measurement

The CDFIs reported using many elements of performance measurement—goals, measures, strategic or business plans, and program evaluations. Six general community or economic development goals were identified by at least 52 percent of the respondents. The most frequently reported goals were helping to revitalize a targeted community and helping to create new jobs. In addition, at least three specific goals were identified by a majority of the applicable respondents for each of the four types of services⁸ provided. For example, 88 percent of the respondents indicated that they provide lending services; four primary lending goals were identified by 59 percent or more of these respondents. These goals included (1) providing affordable loans, (2) increasing existing access to credit services, (3) providing a service that was previously unavailable, and (4) increasing borrowers' financial capacity. Roughly three-fifths of the respondents said they provide technical assistance, training, and/or customer counseling services. Seven performance goals—such as improving customers' financial management or reducing the risk of loans or other investments—were identified by a majority of these respondents. While smaller percentages of respondents reported providing nonlending services (28 percent) and capital investment services (20 percent), three

⁸See footnote 5.

specific goals for each of these services—such as providing affordable services and helping to create new businesses—were identified by a majority of these respondents.

Respondents reported that they use performance measures to assess how well they are meeting their primary goals. They indicated that they use measures both for their general community or economic development goals and for their specific goals for the nonlending, lending, capital investment, and/or technical assistance services they provide. For example, to achieve their economic development goals, almost 60 percent of the respondents reported measuring the number of businesses created, retained or expanded, and 52 percent reported measuring the net number of jobs created or retained. Similarly, to assess their progress toward service-specific goals, respondents frequently indicated that they used both activity and accomplishment measures. For instance, four measures were reported as used to track general lending activities by at least 56 percent of the respondents providing lending services. Two such measures include the number, and total dollar amount, of the loans committed, made, or originated. Approximately 95 percent of the respondents providing lending services reported using at least one accomplishment measure to assess their performance. The accomplishment measure reported most frequently by these respondents was the number of borrowers performing successfully on existing loans. Survey respondents also reported using more quantifiable accomplishment measures. For instance, 91 percent of the CDFIs providing lending services identified at least one quantifiable lending accomplishment measure, and nearly 60 percent identified three or more such measures. The most frequently cited quantifiable lending accomplishment measures were the number of borrowers who performed successfully on existing loans, any change in default rates, and any change in delinquency rates.

In addition to using performance goals and measures, six operational measures were also identified by a majority of the CDFIs responding to our survey to assess how well they were meeting their primary goals. These measures include their ability to meet operating expenses, the amount of their equity or capitalization, the delinquency and default rates for loans in their portfolio, the size of their loan and/or investment portfolio, and the training and expertise of their staff. Just under half of the respondents reported tracking the size of their assets. Half of the respondents said that they track the net costs of their total program, and at least 43 percent reported tracking the net costs of their lending and technical assistance, training, and/or customer counseling services.

Almost 90 percent of the CDFIs responding to our survey indicated that they have a strategic or a business plan to guide and assess their performance, and 42 percent indicated that they update these plans annually. About 60 percent reported setting numeric goals for at least a majority of their activities and accomplishments. In addition, at least three groups—the respondent’s board of directors; a foundation or private funding source; and federal, state, and/or local government agencies—were identified by at least 50 percent of the respondents as recipients of reports of their most important accomplishments.

Over half (56 percent) of the respondents reported that an evaluation of the success or impact of their services had been conducted. According to over 60 percent of these respondents, the evaluation was conducted by researchers outside the CDFI organization, and according to over 20 percent, the researchers were paid by an entity that was independent of the CDFI or its funders. For more detailed information on respondents’ performance goals and measures, see appendix I.

We performed our work from July 1997 through August 1998 in accordance with generally accepted government auditing standards. The CDFI Fund had an opportunity to review and provide comments on the survey before it was initially mailed to the CDFIs. In addition, the Fund has been informed of the results of our survey and has found the information useful. Copies of this report will be provided to the appropriate congressional committees and to the Secretary of the Treasury. Copies are available to others upon request.

If you or your staff have any questions, please contact me at 202-512-7631. Major contributors to this report are listed in appendix IV.

A handwritten signature in black ink, reading "Judy England-Joseph". The signature is written in a cursive, flowing style.

Judy England-Joseph
Director, Housing and Community
Development Issues

List of Committees

The Honorable Alfonse D'Amato
Chairman
The Honorable Paul Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and
Urban Affairs
United States Senate

The Honorable Christopher S. Bond
Chairman
The Honorable Barbara A. Mikulski
Ranking Minority Member
Subcommittee on VA, HUD, and
Independent Agencies
Committee on Appropriations
United States Senate

The Honorable Spencer Bachus
Chairman
The Honorable Bernard Sanders
Ranking Minority Member
Subcommittee on General
Oversight and Investigations
Committee on Banking and Financial Services
House of Representatives

The Honorable Jerry Lewis
Chairman
The Honorable Louis Stokes
Ranking Minority Member
Subcommittee on VA, HUD, and
Independent Agencies
Committee on Appropriations
House of Representatives

Contents

Letter		1
Appendix I		14
Use of Performance	Community and Economic Development Goals and Measures	14
Measurement	Specific Goals and Measures for Types of Services Provided	17
Reported by Survey		
Respondents		
Appendix II		23
Scope, Methodology,		
and Limitations of		
GAO’S Survey		
Appendix III		25
GAO’s Survey of		
Community		
Development		
Financial Institutions		
Appendix IV		39
Major Contributors to		
This Report		
Figures	Figure 1: Types of CDFI Organizations: Characteristics of Respondents	6
	Figure 2: Total Assets in CDFIs’ Loan/Investment Portfolios	7
	Figure I.1: Reported Use of Community Development Goals	15
	Figure I.2: Reported Use of Economic Development Goals	16
	Figure I.3: Reported Use of Lending Goals	18
	Figure I.4: Reported Use of Goals for Technical Assistance, Training, and Customer Counseling Services	19
	Figure I.5: Reported Use of Nonlending Goals	20
	Figure I.6 Reported Use of Capital Investment Goals	22

Contents

Abbreviations

BEA	Bank Enterprise Award
CDFI	community development financial institution

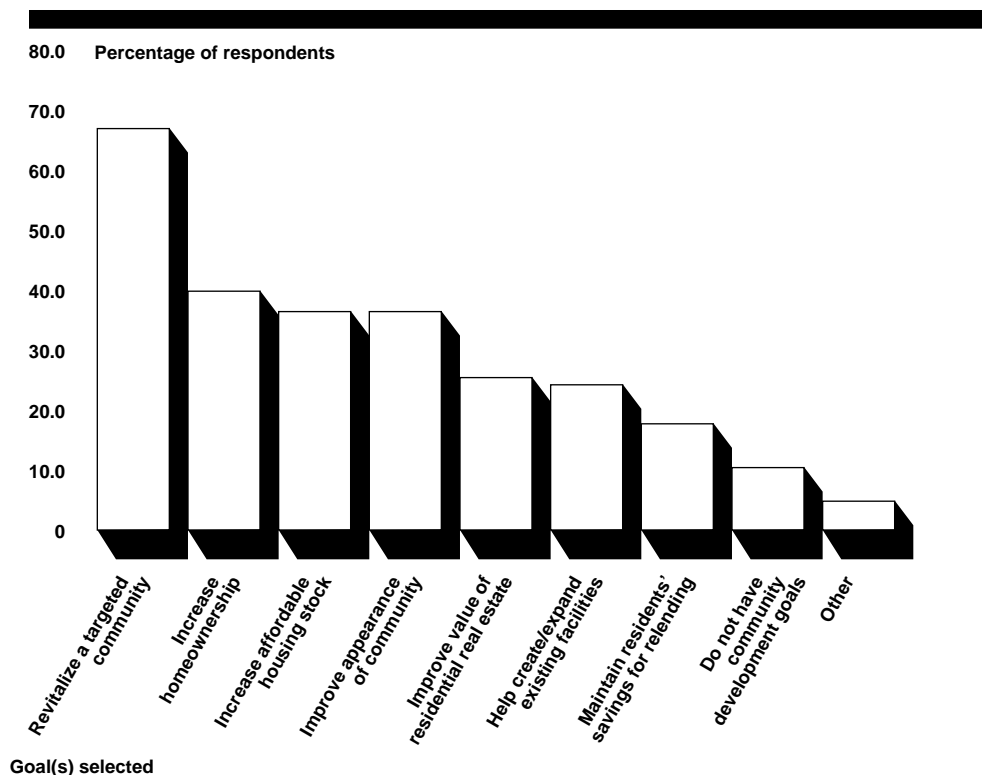
Use of Performance Measurement Reported by Survey Respondents

The majority of the community development financial institutions (CDFI) responding to our survey reported using performance goals and measures to assess their progress toward (1) general community and economic development objectives and (2) objectives for the types of services they provide. For each survey question pertaining to goals and measures, respondents were instructed to select all of the choices that applied to their organization. See appendix III for our survey instrument and results.

Community and Economic Development Goals and Measures	Our survey listed 8 community development goals and 11 economic development goals and asked respondents to select those that were primary for their organization. Approximately 90 percent of the respondents indicated that they had community development goals, while about 88 percent indicated that they had economic development goals. These respondents also reported using various measures to assess their progress toward both types of goals.
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Community Development Goals and Measures	Helping to revitalize a targeted community was the most commonly selected community development goal; furthermore, it was the only such goal selected by a majority of the respondents as primary for their organization (see fig. I.1).
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Figure I.1: Reported Use of Community Development Goals



Source: GAO's analysis of survey data.

Respondents reported using activity and accomplishment measures to assess how well they were meeting their primary community development goals. The most frequently cited activity measures were the number of families assisted (41 percent), the number of affordable housing units assisted (33 percent), and the number or total dollar amount of grants or loans for housing projects (32 percent). The most frequently cited accomplishment measures were individuals' success stories (44 percent); housing success stories (33 percent); and stories of changes in the community, such as improvements in safety or in the community's appearance (28 percent).

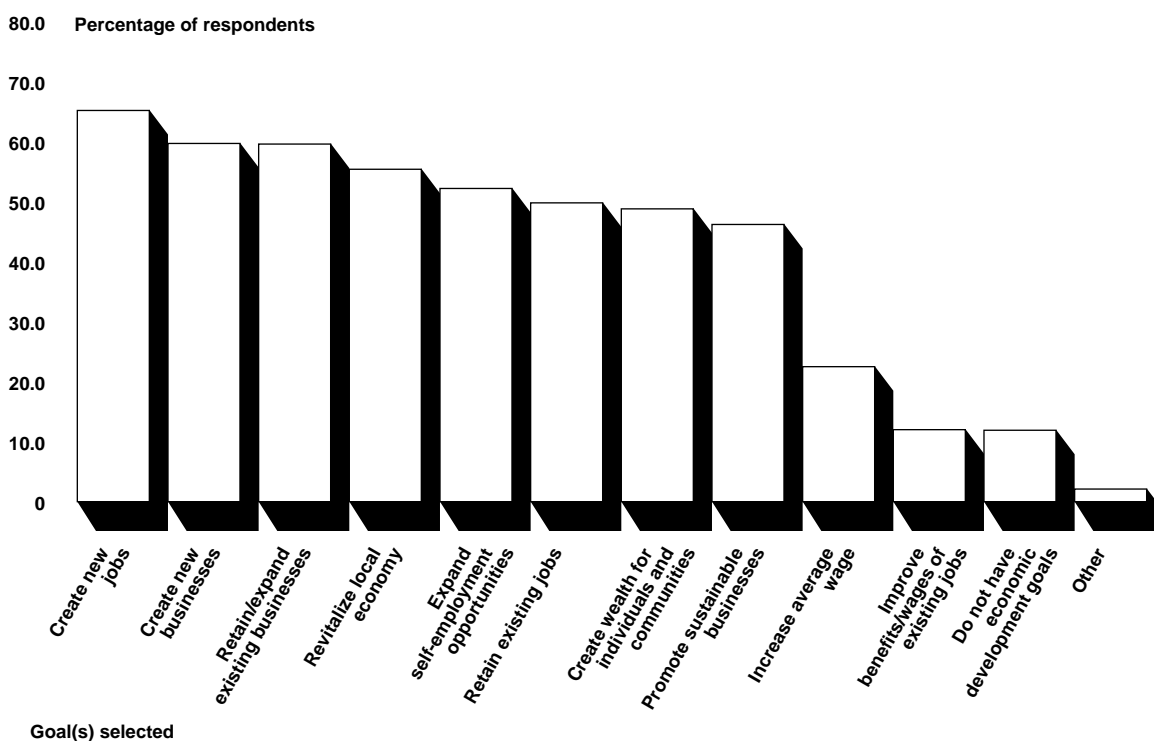
Economic Development Goals and Measures

Five of the 11 economic development goals outlined in our survey were selected by a majority of the respondents as primary for their organization.

Appendix I
Use of Performance Measurement Reported
by Survey Respondents

The most frequently selected goals were helping to create new jobs and helping to create new businesses or to retain or expand existing businesses (see fig. I.2).

Figure I.2: Reported Use of Economic Development Goals



Source: GAO's analysis of survey data.

Paralleling their use of multiple economic development goals, respondents reported using multiple economic development accomplishment measures, including the number of businesses created, retained or expanded (60 percent); the net number of jobs created or retained (52 percent); and business success stories (49 percent).

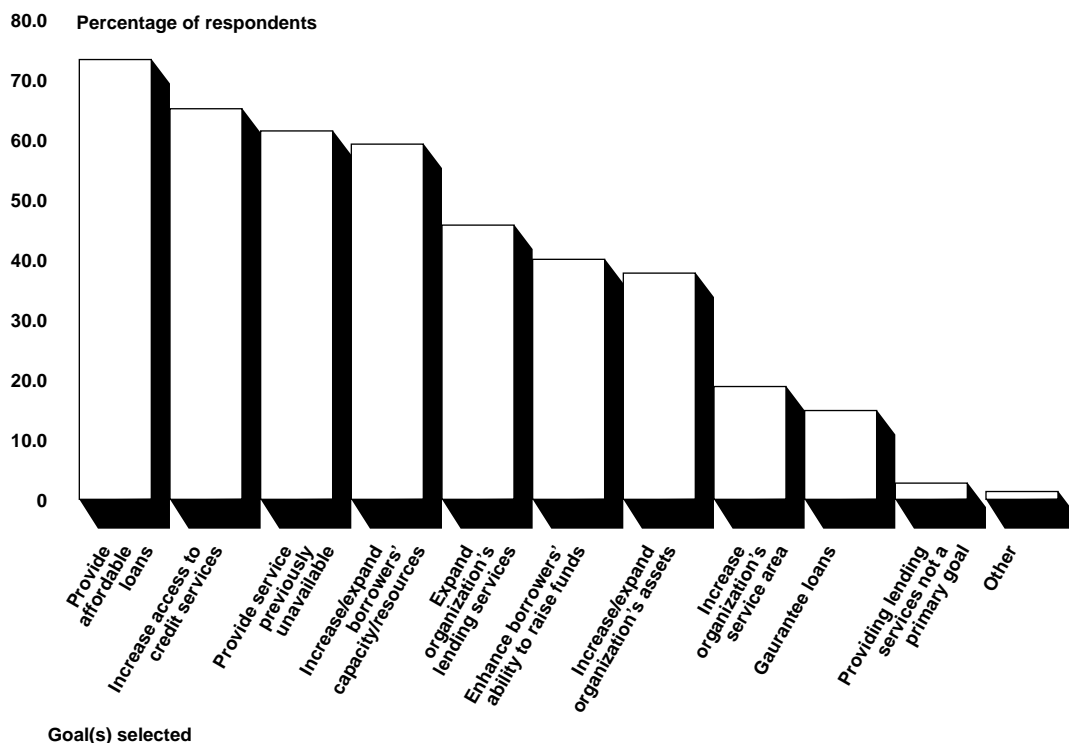
Specific Goals and Measures for Types of Services Provided

Respondents reported using specific goals and measures to assess their progress in providing services in four areas identified by our survey: (1) lending services; (2) technical assistance, training, and customer counseling; (3) nonlending services for deposit customers or members; and (4) capital investment services.

Lending Services

Lending was the service area selected most frequently by the CDFIs responding to our survey. Almost 88 percent of the respondents reported providing some type of lending service. These respondents reported using multiple goals and measures to assess their progress in providing these services. A majority said they use goals such as providing affordable loans (73 percent), increasing existing access to credit services (65 percent), providing a service that was previously unavailable (61 percent), and increasing or expanding borrowers' capacity or financial resources (59 percent). Figure I.3 illustrates the respondents' reported use of lending goals.

Figure I.3: Reported Use of Lending Goals



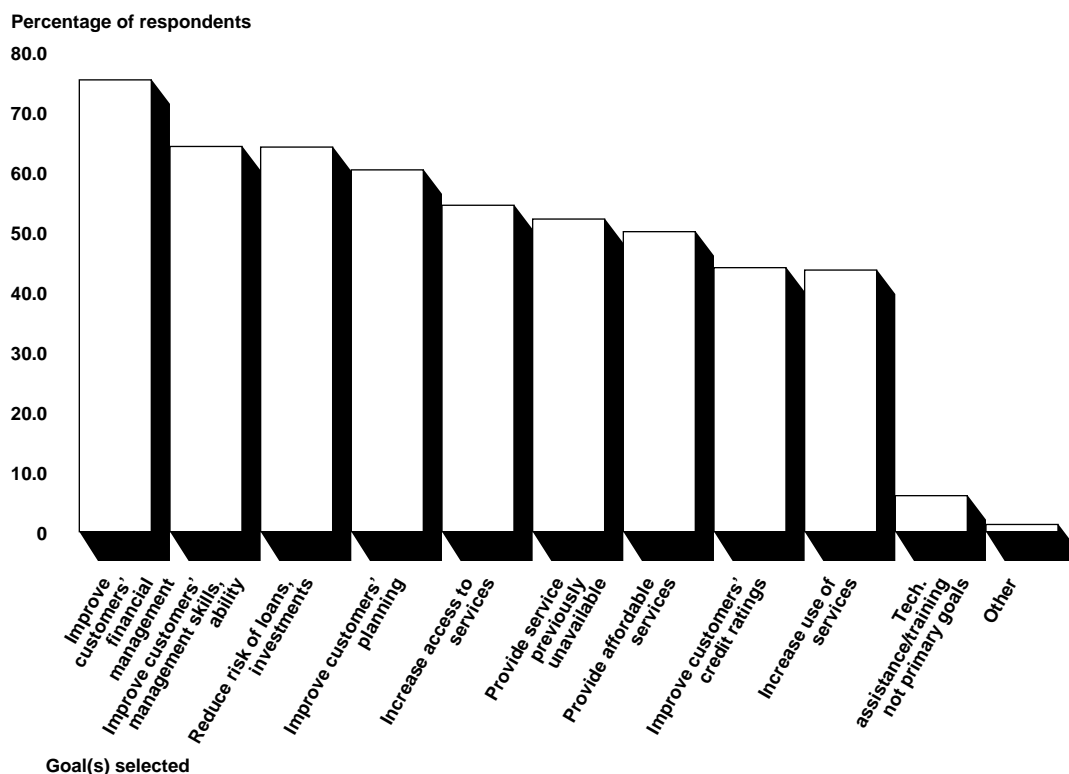
Source: GAO's analysis of survey data.

Several activities and accomplishments were individually reported as used to measure progress toward respondents' lending goals. The activities include the number of loans (83 percent), the dollar amount of the loans (69 percent), the number of borrowers (61 percent), and the number or dollar amount of the outstanding loans (56 percent). The accomplishment measures reportedly used include the number of borrowers who perform successfully on existing loans (68 percent), stories of individual borrowers' success (67 percent), reductions in delinquency rates (54 percent), and net increases in lending (54 percent).

Technical Assistance, Training, and Customer Counseling Services

At least 60 percent of the respondents reported that their organization provides technical assistance, training, and/or customer counseling services either directly or indirectly through an affiliate or a subsidiary. Seven of 10 goals were selected as primary for their organization by a majority of the respondents. For example, improving customers' financial management was identified by three-quarters of the respondents as a primary goal. Figure I.4 shows the frequency with which the respondents reported using the 10 goals listed for this service category.

Figure I.4: Reported Use of Goals for Technical Assistance, Training, and Customer Counseling Services



Source: GAO's analysis of survey data.

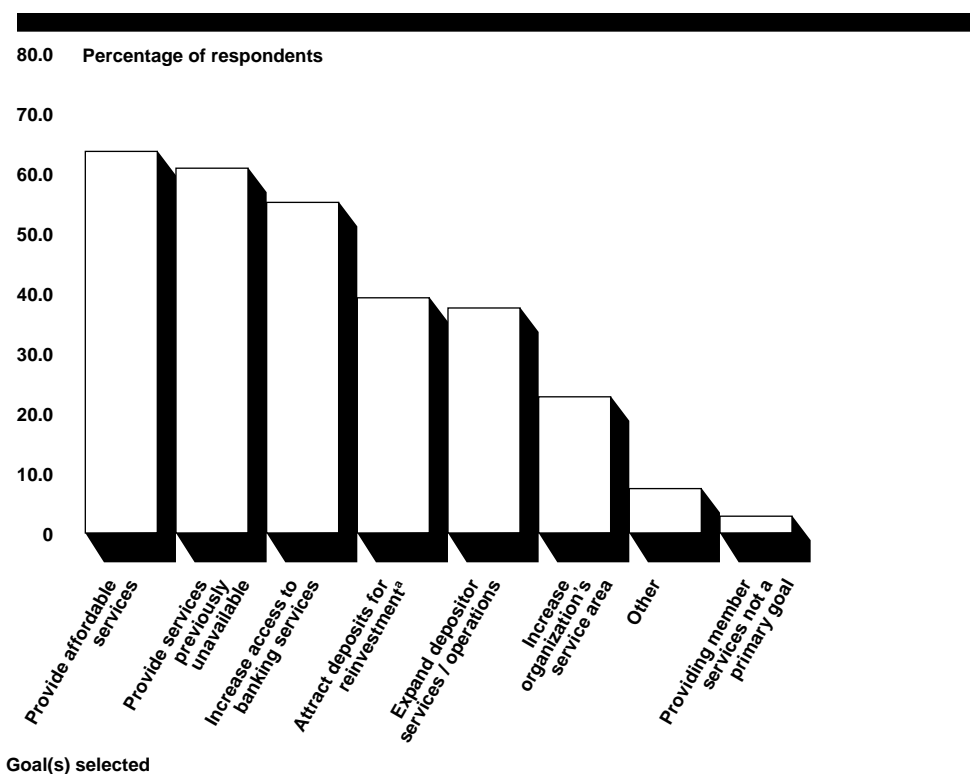
Multiple activity and/or accomplishment measures were identified by a majority of respondents in the technical assistance, training, and customer

counseling category. For example, they reported measuring (1) their training activities by keeping track of the number of participants in training programs (77 percent) and (2) their customer counseling activities by keeping track of the number of persons receiving these services (71 percent). Reported measures of accomplishment included success rates for individuals receiving services (59 percent), decreases in loan delinquency or default rates (53 percent), and customer satisfaction (51 percent).

Nonlending Services for Deposit Customers or Members

About 30 percent of the respondents reported providing nonlending services to depositors, shareholders, or members. These respondents identified the goals depicted in figure I.5 as primary for their organization.

Figure I.5: Reported Use of Nonlending Goals



*Because of space limitations, we substituted "attract deposits for reinvestment" for "attract deposits for investment in community development."

Source: GAO's analysis of survey data.

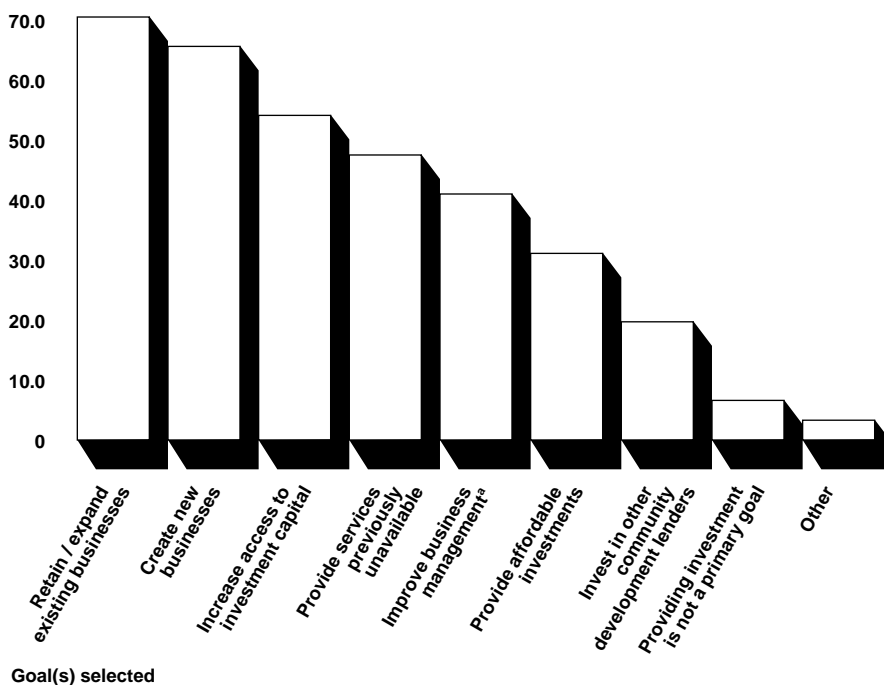
To track their progress toward these primary goals, the respondents reported using both activity and accomplishment measures. The most frequently cited activity measures were the number of depositors or members (59 percent), the number of new depositors or members (48 percent), and the amount of savings or shares (46 percent). The most frequently cited accomplishment measures were increases in the number of depositors or members (62 percent), increases in depositors' or members' savings (47 percent), and depositors' or members' success stories (42 percent).

**Capital Investment
Services**

The smallest percentage of respondents—slightly under 20 percent—reported providing capital investment services, including equity and quasi-equity investments in other organizations. Figure I.6 shows the frequency with which these respondents identified specific capital investment goals as primary for their organization. Three of these goals—retaining or expanding existing businesses, helping to create new businesses, and increasing existing access to investment capital—were identified by a majority of the respondents.

Figure I.6 Reported Use of Capital Investment Goals

80.0 Percentage of respondents



Goal(s) selected

^aBecause of space limitations, we substituted "improve business management" for "improve quality of customers' business management and planning."

Source: GAO's analysis of survey data.

Only one activity measure—the number or dollar amount of investments in businesses—was identified by a majority of respondents (63 percent) as most important for assessing progress toward their primary capital investment goals. Two other activity measures—the number of first-time investments (25 percent) and the number or dollar amount of follow-on investments (22 percent)—were identified much less frequently. Conversely, the respondents reported relying much more extensively on accomplishment measures, including the number of businesses they helped to retain or expand (71 percent); the number of businesses they helped to create (67 percent); the number of businesses still in operation since the first loan or after a certain date (44 percent); and an increase in business assets, salary and wage expenses, revenues, and/or profits (43 percent).

Scope, Methodology, and Limitations of GAO'S Survey

We conducted a national survey of community development financial institutions (CDFI), including those organizations that are certified by the Fund and those organizations that provide lending, capital investment, or other credit and banking services to underserved areas or populations. Our objective was to describe CDFI organizations and their use of performance measurement and monitoring systems.

To identify CDFIs nationwide, we obtained from the CDFI Fund in October 1997 its most recent list of certified CDFIs, dated June 1997, as well as lists of applicants for awards in the first (1996) and second (1997) funding rounds. In addition, we obtained membership lists from the following national community development professional organizations: the CDFI Coalition, the National Association of Community Development Credit Unions, the National Community Capital Association, and the Community Development Venture Capital Alliance. We also obtained lists from the Neighborhood Reinvestment Corporation¹ and the Aspen Institute² that identified neighborhood housing services and microenterprise development organizations with loan funds. We did not attempt to determine whether noncertified respondents meet the Fund's criteria for certification. We identified 925 organizations by merging the previously identified lists and eliminating any duplicates.

To encourage responses, we sent follow-up letters and a second questionnaire to those organizations that did not return a questionnaire from the first mailing. We eliminated any respondents indicating that (1) they provided only technical assistance or training, (2) they did not provide any financial services, or (3) the survey was not applicable to their organization. When we had eliminated these respondents, 623 institutions remained in our final pool, for a 67-percent response rate. These institutions included 87 percent of the 1996 CDFI program awardees and 77 percent of the 187 CDFIs certified by the Fund as of June 1997. The institutions also represented about 70 percent of the 205 CDFIs certified as of March 1998.

¹The Neighborhood Reinvestment Corporation, a congressionally chartered, public nonprofit corporation established in 1978 (P.L. 95-557), develops and supports NeighborWorks organizations, which are autonomous, locally funded nonprofit corporations that seek to revitalize lower-income communities and provide affordable housing.

²The Association for Enterprise Opportunity, a national trade association for microenterprise development organizations, referred us to the Aspen Institute for assistance in identifying microenterprise development organizations with lending activity. The Aspen Institute, which maintains a directory of over 300 microenterprise development programs, identified those indicating that they provide lending services.

Our survey of the CDFI field provided us with an overview of community development financial institutions—who they are; whom they serve; what mix of products and services they provide; and to what extent they plan, measure and evaluate their goals, activities, and accomplishments. We used this survey to obtain information for our companion report on the CDFI field's use of performance measurement and monitoring systems so that we could compare the Fund's systems with those of the field as a whole. Specifically, we used the survey to obtain information from respondents on the

- general characteristics of their organization, including its mission, size, and age; the types of services and products it provides, and the types of distressed markets (i.e., populations, areas, types of businesses) it targets through its activities and programs;
- types of goals, activities, and accomplishments that their organization tracks and measures, including its overall community and economic development objectives and its specific functions, such as nonlending (i.e., credit and banking), lending, capital investment, and technical assistance and training services;
- types of financial and nonfinancial information that their organization collects and uses to measure its health internally and the extent to which their organization relies on strategic planning and outside evaluation; and
- level of burden or satisfaction their organization experienced in applying for a 1996 CDFI program award and, if selected, in going through the selection process.

The results of our survey cannot be generalized to the CDFIs that were not identified in, or did not respond to, our survey. We do not believe that our list includes all such organizations in the CDFI field nationwide. We also recognize that other community development organizations could probably be certified by the Fund as CDFIs but are currently unknown to either the Fund or one of the national CDFI associations. Again, our survey was not designed to yield the information needed to determine whether noncertified respondents would be eligible for certification. For instance, the survey did not ask whether providing lending or capital investment services was a dominant activity, nor did it seek information on the nature of the respondent's ownership—information that the Fund would require for certification. Some CDFIs that do not currently meet the Fund's criteria for certification might be able to modify their operations or ownership to become eligible for certification.

GAO's Survey of Community Development Financial Institutions

United States General Accounting Office

GAO

Survey of Community Development Financial Institutions

Introduction

The U.S. General Accounting Office is an agency that provides data to the U.S. Congress. We are currently surveying selected financial institutions to learn how they monitor and report on their own goals, activities, and accomplishments. Your organization was identified as one that supports community development activities.

Your participation in the survey is essential in order for us to present an accurate picture of common practices in your industry. We plan to summarize the survey responses and use them in a study of the Community Development Financial Institution (CDFI) Fund.

Instructions

Because the survey was designed to apply to a broad range of financial institutions, there may be some questions that do not apply to your situation. We have provided opportunities for you to skip over these questions.

Please complete only one survey for your organization. Return any additional questionnaires your subsidiaries or affiliates may receive, letting us know under which organization name your formal response is being sent.

We would appreciate your response within 2 weeks, if possible. This will help us avoid costly follow-up. Please return your completed survey in the enclosed envelope. In the event the envelope is misplaced, our return address is:

Mr. John Vocino
U.S. General Accounting Office
441 G Street, N.W., Room 1826
Washington, D.C. 20548

If you have any questions, please call John Vocino at (202) 512-7290 (email: vocinoj.rced@gao.gov).

Background

1. Which of the following best describes your organization? (*Check all that apply.*)

(15-19)

- 16.5% Community development credit union
- 3.7% Community development bank or bank holding company
- 0.8% Other bank
- 22.5% Community development loan fund
- 4.3% Community development venture capital
- 27.9% Community development corporation
- 18.5% Housing loan fund
- 23.8% Microenterprise
- 25.2% Small business loan fund
- 33.2% Technical assistance or training provider
- 2.7% National intermediary
- 9.3% Other (*Please specify.*)

2. Approximately how long has your organization been in existence? (*Check one.*)

(20)

- 12.2% Less than 3 years
- 16.5% 3 to 6 years
- 70.5% More than 6 years

Appendix III
GAO's Survey of Community Development
Financial Institutions

3. As of September 30, 1997, approximately what were the total assets in your loan and/or investment portfolio? (*Check one.*)

(21)

- 16.1% Less than \$100,000
 31.5% \$100,000 to \$1,000,000
 26.8% \$1,000,001 to \$5,000,000
 11.1% \$5,000,001 to \$20,000,000
 6.9% Over \$20,000,000

4. As of September 30, 1997, about what percentage of your loan portfolio was invested in each of the following categories (either directly or indirectly)? (*Enter number or zero for each.*)

(22-45)

- 24.9% Single family housing loans (mortgages, home improvement, etc.)
 8.7% Multifamily housing loans (construction, rehabilitation, special needs, etc.)
 2.5% Community facility loans
 4.8% Other commercial real estate loans (shopping centers, hotels, etc.)
 36.0% Non-real estate business loans
 14.1% Personal loans (cars, credit repair, etc.)
 0.7% Education loans
 8.4% Other (*Please specify.*)

→**Analysis Note:** The averages above are for the 515 respondents (82.7%) who had investments and reported complete data. Fifty-eight respondents (9.3%) reported having no investments as of September 30, 1997. Fifty respondents (8%) provided incomplete or no data.

5. Which, if any, of the following activities are primary services that your organization provides? (*Check all that apply.*)

(46-60)

- 19.3% Depositor and/or member services to individuals and businesses
 4.3% Grants to businesses
 7.2% Grants to nonprofit organizations
 56.2% Loans to individuals (for personal or business reasons)
 50.2% Loans to businesses
 23.4% Loans to nonprofit organizations
 9.5% Equity investment in businesses
 45.9% Technical assistance to businesses (e.g., business plans, marketing strategies, etc.)
 25.2% Technical assistance to nonprofit organizations
 40.0% Training
 36.3% Consumer counseling (e.g., personal finance or home mortgage counseling)
 7.9% Other (*Please specify.*)

6. Has your organization specified in its charter, articles of incorporation, annual reports or elsewhere that it has a mission for or is tasked with specifically providing the following categories of services? (*Check all that apply.*)

(61-64)

- 56.8% Banking, lending, investment and/or training services
 64.7% Social or community development services
 9.3% Other (*Please specify.*)
 6.4% None of the above

Appendix III
GAO's Survey of Community Development
Financial Institutions

Targeting of Services

For the following questions, please identify only those areas or groups that you have made special attempts to reach with your services (either directly or through another organization).

7. Does your organization target its services to an economically distressed area or population? *(Check all that apply.)*

(65-67)

76.7% Area

66.0% Population

7.1% Neither

8. Which of the following best describes your organization's service area (the geographic area you have targeted to benefit from your services)? *(Check all that apply.)*

(68-80)

2.7% No targeted geographic area

43.2% Neighborhoods

31.3% City

29.1% Portion of a state

11.2% State

3.7% Several states

14.1% Region

2.9% National

26.2% Rural areas

24.9% Urban areas

2.6% Other *(Please specify.)*

9. Which, if any, of the following groups has your organization specifically targeted to benefit from your services? *(Check all that apply.)*

2(5-21)

5.9% No targeted groups of customers

21.8% Non-profit organizations

84.1% Low-income persons

60.0% Moderate-income persons

35.0% Unemployed or underemployed persons

14.0% Homeless persons

17.0% Dislocated workers

33.4% Public assistance recipients

57.5% Members of minority groups (e.g., African, Asian or Hispanic-Americans)

49.3% Women

18.6% Children and/or youth

28.4% Other persons with special needs (e.g., persons with disabilities, elderly persons, immigrants or refugees, persons with AIDS, etc.)

4.7% Other *(Please specify.)*

10. Which, if any of the following types of housing borrowers does your organization specifically target to benefit from your services? *(Check all that apply.)*

(22-30)

37.9% No targeted housing borrowers

25.8% Existing homeowners

33.2% Home buyers

2.7% Homeowner or condominium associations

17.2% Nonprofit housing developers

7.4% For profit housing developers

10.3% Nonprofit rental property owners

8.0% For profit rental property owners

2.7% Other *(Please specify.)*

Appendix III
GAO's Survey of Community Development
Financial Institutions

11. Which, if any, of the following businesses does your organization specifically target to benefit from your services? *(Check all that apply.)*

(31-37)

30.0% No targeted businesses

Size of Business

50.9% Small businesses

48.3% Microenterprises

Stage of Development

56.5% Start-up businesses

56.5% Expanding businesses

Other

13.5% Relocating businesses

3.7% Other *(Please specify.)*

GOALS, ACTIVITIES AND ACCOMPLISHMENTS

The following questions concern your organization's goals, activities and accomplishments. The more general goals for community and economic development are covered first, followed by questions on the more specific goals regarding banking, lending, capital investment and/or technical assistance. We recognize that achieving these general goals may happen as a result of your specific activities in lending, financial services, investing or technical assistance.

To avoid unnecessary repetition of questions, we assume that any goals, activities and/or accomplishments that you identify are specific to the targeted service areas, businesses and/or customers you identified in the previous questions. If you did not identify any targeted service areas, we will treat your response as general to your entire service area.

Community and Economic Development

Please answer the following questions for your organization's targeted geographic service area, businesses and/or customers, based upon its banking, lending, investment and/or technical assistance activities and accomplishments.

12. Which, if any, of the following community and economic development goals are **primary** goals of your organization? *(Check all that apply.)*

(38-70)

Community Development Goals

66.9% Help revitalize a targeted community

24.2% Help create or expand existing community facilities

39.8% Increase homeownership

36.4% Increase affordable housing stock

36.4% Help improve the appearance of the community

25.4% Improve the economic value of residential real estate in targeted area

17.7% Maintain residents' savings for lending in the community

10.4% Do not have community development goals

4.8% Other *(Please specify.)*

Economic Development Goals

65.2% Help create new jobs

49.8% Help retain existing jobs

22.5% Increase average wage

55.4% Help revitalize a local economy

12.0% Improve fringe benefits and/or wages of existing jobs

52.2% Expand self-employment opportunities

59.7% Help create new businesses

59.6% Help retain or expand existing businesses

46.2% Promote sustainable businesses

48.8% Help create wealth for individuals and communities

11.9% Do not have economic development goals

2.1% Other *(Please specify.)*

Appendix III
GAO's Survey of Community Development
Financial Institutions

13. Of all the community development activities you measure, which are the **most important** for assessing how well you are meeting your primary goals?
(Check all that apply.)

(16-15)

- 16.2% Number of programs supported for local residents
- 28.6% Number of partnerships with other community-based organizations
- 7.1% Number of new community facilities
- 26.3% Number or total dollar amount of grants or loans for community or infrastructure improvement projects
- 31.5% Number or total dollar amount of grants or loans for housing projects (single and/or multifamily)
- 33.4% Number of affordable housing units assisted
- 6.3% Square feet of non-residential development assisted
- 41.3% Number of families assisted
- 15.2% Do not measure community development activities
- 14.4% Other *(Please specify.)*

14. Of all the community development accomplishments you measure, which are the **most important** for assessing how well you are meeting your primary goals?
(Check all that apply.)

(16-30)

- 19.4% Increase in the number of existing community or infrastructure improvement projects
- 20.2% Increase in the number of residents participating in neighborhood improvement projects
- 28.3% Stories of changes in the community environment (e.g., safety, community pride/appearance, etc.)
- 11.2% Change in median sales price of single family homes in target area
- 32.9% Housing success stories
- 7.1% Increase in the number of child care slots or spaces available
- 29.5% Increase in your organization's coordination with other community groups
- 17.0% Increase in your organization's participation in activities sponsored by other community groups
- 21.3% Creation of local business associations, networks, or peer groups
- 43.8% Individual success stories
- 13.5% Do not measure community development accomplishments
- 9.0% Other *(Please specify.)*

Appendix III
GAO's Survey of Community Development
Financial Institutions

15. Of all the economic development accomplishments you measure, which are the **most important** for assessing how well you are meeting your primary goals? *(Check all that apply.)* (31-45)
- 52.0% Number of net jobs created or retained
 - 16.4% Average wage for created jobs
 - 10.6% Increase in wages and/or benefits for existing jobs
 - 59.9% Number of businesses created, retained or expanded
 - 35.3% Number of businesses still in operation since the first loan or after a certain time period
 - 48.8% Business success stories
 - 25.5% Employment success stories
 - 26.2% Increase in business assets, salary and wage expenses, revenues, and/or profits, net worth
 - 19.3% Decrease in public assistance receipts by borrower or customer
 - 10.4% Increase in taxes paid by borrower or customer
 - 22.2% Do not have measure economic development accomplishments
 - 3.5% Other *(Please specify.)*

Non-lending Services for Deposit Customers or Members

Please answer the following questions for your organization's targeted geographic service area, businesses and/or customers.

16. Does your organization provide non-lending services to depositors, shareholders or members? *(Check one.)* (46)
- 28.3% Yes → *Please continue.*
 - 67.1% No → *Skip to Question 20*

17. Which, if any, of the following depositor or member services goals are **primary** goals of your organization? *(Check all that apply.)* (47-54)
- 60.8% Provide a service that was previously unavailable
 - 55.1% Increase existing access to banking or member services
 - 63.6% Provide affordable services
 - 37.5% Expand depositor or member services or operations
 - 22.7% Increase your service area
 - 39.2% Attract deposits for investment in community development
 - 2.8% Providing depositor or member services is not a primary goal
 - 7.4% Other *(Please specify.)*
18. Of all the depositor or member services activities you measure, which are the **most important** for assessing how well you are meeting your primary goals? *(Check all that apply.)* (55-60)
- 59.1% Number of depositors or members
 - 45.5% Amount of savings or shares
 - 48.3% Number of new depositors or members
 - 4.5% Number of debit, check-cashing and/or credit cards issued
 - 21.6% Do not measure depositor or member services activities
 - 9.1% Other *(Please specify.)*

Appendix III
GAO's Survey of Community Development
Financial Institutions

19. Of all the depositor or member services accomplishments you measure, which are the **most important** for assessing how well you are meeting your primary goals? *(Check all that apply.)*

(81-73)

- 61.9% Increase in the number of depositors/members
- 47.2% Increase in depositor/member savings
- 40.9% Increased use of banking or depositor/member services
- 33.0% Improved credit rating for depositor/member
- 18.8% Increase in borrowers' household income
- 16.5% Increase in borrowers' household assets
- 42.0% Depositor/member success stories
- 18.8% Increase in your service area or population
- 29.0% Number of years of continuous service to target populations
- 13.1% Do not measure depositor or member services accomplishments
- 4.0% Other *(Please specify.)*

21. Which, if any, of the following specific lending goals are **primary** goals of your organization? *(Check all that apply.)*

4(5-17)

- 61.4% Provide a service that was previously unavailable
- 65.1% Increase existing access to credit services
- 73.3% Provide affordable loans
- 14.8% Guarantee loans
- 45.7% Expand your lending services or operations
- 40.0% Enhance your borrowers' ability to raise funds
- 59.2% Increase/expand your borrowers' capacity or financial resources
- 37.7% Increase/expand your capital/assets (e.g., attract investments for community development)
- 18.8% Increase your service area
- 2.7% Providing lending services is not a primary goal
- 1.3% Other *(Please specify.)*

Lending Services

Please answer the following questions for your organization's targeted geographic service area, businesses and/or customers.

20. Does your organization provide lending services?
(Check one.)

(74)

- 87.8% Yes → *Please continue*
- 10.1% No → *Skip to Question 25*

Appendix III
GAO's Survey of Community Development
Financial Institutions

22. Of all the general lending activities you measure, which are the **most important** for assessing how well you are meeting your primary goals? (*Check all that apply.*)

(18-32)

- 36.2% Number of loan applications reviewed
- 83.2% Number of loans committed to, made, or originated
- 11.5% Number of loans guaranteed
- 45.3% Number of loans to new or first-time borrowers
- 60.5% Number of borrowers
- 36.7% Number of borrowers with outstanding loans
- 68.7% Total dollar of loans committed to, made, or originated
- 56.3% Total number or dollar amount of loans outstanding
- 32.9% Average loan size
- 17.6% Age of loans
- 2.7% Do not measure general lending activities
- 3.8% Other (*Please specify.*)

23. Of all the specific lending activities you measure, which are the **most important** for assessing how well you are meeting your primary goals? (*Check all that apply.*)

(33-39)

- 34.7% Number or dollar amount of single family housing loans (mortgages, home improvement, rehabilitation, etc.)
- 18.5% Number or dollar amount of multifamily housing loans (construction, rehabilitation, special needs, etc.)
- 55.8% Number or dollar amount of business or commercial loans
- 17.0% Number or dollar amount of personal loans (cars, credit repair, etc.)
- 26.3% Number of residential units developed
- 5.7% Do not measure specific lending activities
- 2.9% Other (*Please specify.*)

24. Of all the lending accomplishments you measure, which are the **most important** for assessing how well you are meeting your primary goals? (*Check all that apply.*)

(40-48)

- 47.9% Change in default rate or loan loss levels
- 53.9% Change in delinquency rate or ratio of past due loans to total loans outstanding
- 45.9% Net increase in your total assets and/or the assets in your loan fund
- 53.9% Net increase in lending during performance period
- 66.7% Borrower success stories
- 68.4% Number of borrowers who perform successfully on existing loans
- 30.9% Number of years of continuous service to target populations
- 3.7% Do not measure lending accomplishments
- 0.2% Other (*Please specify.*)

Capital Investment

Please answer the following questions for your organization's targeted geographic service area, businesses and/or customers.

25. Does your organization provide **capital investment** services (including equity and quasi-equity investments in other organizations)? (*Check one.*)

(49)

- 19.6% Yes →*Please continue*
- 79.0% No →*Skip to Question 29*

Appendix III
GAO's Survey of Community Development
Financial Institutions

26. Which, if any, of the following specific capital investment goals are **primary** goals of your organization? (*Check all that apply.*)

(50-58)

- 47.5% Provide a service that was previously unavailable
- 54.1% Increase existing access to investment capital
- 31.1% Provide affordable investments
- 65.6% Help create new businesses
- 70.5% Retain or expand existing businesses
- 41.0% Improve quality of customers' business management and planning
- 19.7% Invest in institutions that will lend to underserved groups, businesses or geographic areas
- 6.6% Providing capital investments is not a primary goal
- 3.3% Other (*Please specify.*)

27. Of all the investment activities you measure, which are the **most important** for assessing how well you are meeting your primary goals? (*Check all that apply.*)

(59-65)

- 18.0% Number of investment proposals screened
- 18.0% Number of investment proposals reviewed in depth
- 63.1% Number or dollar amount of investments in businesses
- 25.4% Number of first-time investments
- 22.1% Number or dollar amount of follow-on investments
- 16.4% Do not have measure investment activities
- 9.8% Other (*Please specify.*)

28. Of all the investment accomplishments you measure—based upon your lending, investment and/or technical assistance activities—which are the **most important** for assessing how well you are meeting your primary goals? (*Check all that apply.*)

(66-71)

- 67.2% Number of businesses you helped to create
- 71.3% Number of businesses you helped to retain or expand
- 44.3% Number of businesses still in operation since the first loan or after a certain time period
- 43.4% Increase in business assets, salary and wage expenses, revenues, and/or profits
- 9.0% Do not measure investment accomplishments
- 9.8% Other (*Please specify.*)

Technical Assistance, Training and Customer Counseling

Please answer the following questions for your organization's targeted geographic service area, businesses and/or customers.

29. Does your organization provide **technical assistance, training and/or customer counseling** services either directly or indirectly through an affiliate or subsidiary? (*Check all that apply.*)

(72-75)

- 68.5% Technical assistance to businesses and organizations
- 58.6% Training
- 62.3% Customer counseling to individuals
- 9.1% None of the above → *Skip to Question 36*

Appendix III
GAO's Survey of Community Development
Financial Institutions

30. Do you provide technical assistance (TA), training, or customer counseling either directly, through an affiliate or subsidiary, or in cooperation or partnership with another organization? *(Check all that apply.)*

5(5-13)

Technical Assistance (TA)

- 72.6% Directly
- 21.4% Through an affiliate or subsidiary
- 45.2% In cooperation with another organization

Training

- 61.0% Directly
- 19.9% Through an affiliate or subsidiary
- 42.9% In cooperation with another organization

Customer Counseling

- 66.0% Directly
- 16.0% Through an affiliate or subsidiary
- 33.6% In cooperation with another organization

31. Which, if any, of the following TA, training, and/or customer counseling goals are **primary** goals of your organization? *(Check all that apply.)*

(14-26)

- 52.1% Provide a service that was previously unavailable
- 54.4% Increase existing access to services
- 43.6% Increase use of services
- 50.0% Provide affordable services
- 60.3% Improve customers' planning
- 75.3% Improve customers' personal and/or organizational financial management
- 64.2% Improve customers' management ability or other business skills
- 64.1% Reduce risk of loans or investment
- 44.0% Improve customers' credit rating
- 6.0% Providing TA, training, and/or customer counseling is not a primary goal
- 1.2% Other *(Please specify.)*

32. Of all the TA activities you measure, which are the **most important** for assessing how well you are meeting your primary goals? *(Check all that apply.)*

(27-35)

- 23.2% Total number of TA products
- 12.4% Number of new TA products offered
- 32.6% Peer support or networking services
- 35.4% Number of business plans reviewed
- 28.8% Number of probable business failures discouraged
- 40.5% Number of organizations provided with limited scope TA (e.g., reference, advice, networking)
- 39.6% Number of organizations provided with intensive TA (i.e., on-site, continuous for a period of time)
- 14.5% Do not measure TA activities
- 9.6% Other *(Please specify.)*

33. Of all the training activities you measure, which are the **most important** for assessing how well you are meeting your primary goals? *(Check all that apply.)*

(36-42)

- 37.8% Total number of training courses offered
- 13.2% Number of new training courses offered
- 77.0% Number of participants in training programs
- 38.9% Number of training hours
- 27.7% Number of organizations provided with limited scope TA (e.g., reference, advice, networking)
- 9.6% Do not measure training activities
- 5.8% Other *(Please specify.)*

Appendix III
GAO's Survey of Community Development
Financial Institutions

34. Of all the customer counseling activities you measure, which are the **most important** for assessing how well you are meeting your primary goals? *(Check all that apply.)*

(43-48)

- 10.3% Number of new consumer information products offered
- 39.4% Number of counseling sessions offered
- 70.6% Number of persons receiving counseling (credit, pre-purchase, personal finance, etc.)
- 38.7% Number of counseling hours
- 18.6% Do not have important and measurable customer counseling activities
- 3.9% Other *(Please specify.)*

35. Of all the technical assistance, training and/or customer counseling accomplishments you measure, which are the **most important** for assessing how well you are meeting your primary goals? *(Check all that apply.)*

(49-56)

- 52.8% Decrease in loan delinquency or default rates
- 33.5% Improvement in customers' credit ratings
- 39.7% Improved organizational planning (e.g., strategies for marketing, investment, capacity-building)
- 51.1% Customer satisfaction with services
- 32.4% Success rates for organizations receiving services
- 58.5% Success rates for individuals receiving services
- 8.4% Do not measure TA, training and/or customer counseling accomplishments
- 2.0% Other *(Please specify.)*

Appendix III
GAO's Survey of Community Development
Financial Institutions

Your Organization's Operations

36. Of all the management statistics you measure, which are the **most important** for assessing how well you are meeting your primary goals? (*Check all that apply.*)

6(5-37)

Financial Statement Statistics

- 50.2% Amount of equity/capitalization
 49.0% Assets
 32.4% Liquidity
 31.8% Return on investment
 75.0% Ability to meet operating expenses

Loan or Investment Portfolio Statistics

- 60.8% Loan and/or investment portfolio size
 34.7% Level of risk in investment portfolio
 33.4% Amount of reserves set aside to meet the level of risk in your portfolio
 57.1% Default rate
 65.8% Delinquency rate

- 31.3% Growth in capital under management, over time
 24.6% Equity/capital permanently pledged for lending
 34.5% Loan loss reserves
 30.8% Underwriting criteria

Non-financial Statistics

- 32.3% Ratio of loan dollars to total project funding
 40.1% Longevity of the organization
 34.0% Number of staff or full-time staff equivalents
 57.1% Training and expertise of staff

Efficiency Measures

- 19.6% Gross lending margins
 45.4% Break-even/profitability margins
 6.4% Other (*Please specify.*)

37. For which, if any, of the following categories of activities and accomplishments does your organization keep track of net costs? (*Check all that apply.*)

(38-45)

- 27.1% Economic development
 27.3% Community development
 11.1% Depositor or member services
 46.7% Lending services
 8.2% Capital investment services
 43.8% Technical assistance, training and/or customer counseling
 50.1% Total program
 13.2% Do not keep track of net costs for activities and accomplishments

Measuring Progress

To answer the following questions, please consider all of your organization's goals, activities and accomplishments that you identified in previous questions.

38. If your organization has a formal business or strategic plan, how often is it updated to reflect changes in market or community conditions? (*Check one.*)

(46)

- 41.6% Annually
 7.4% Every 5 years
 34.0% As needed
 5.6% Other (*Please specify.*)
 9.0% Do not have a business or strategic plan

39. To what extent, if at all, has your organization set target dates for achieving any of its banking, lending, capital investment or other activities and accomplishments, as these were identified in the preceding questions? (*Check one.*)

(47)

- 10.1% Little or no extent
 18.0% Some extent
 29.9% Moderate extent
 30.3% Great extent
 6.7% Very great extent

Appendix III
GAO's Survey of Community Development
Financial Institutions

40. For about how many of your organization's **most important** activities and accomplishments are you trying to achieve a specific numeric goal? (*Check one.*)

- 25.8% Have numeric goals for *each* of the most important activities and accomplishments (48)
- 34.3% Have numeric goals for *the majority* of the most important activities and accomplishments
- 8.8% Have numeric goals for *about half* of the most important activities and accomplishments
- 14.9% Have numeric goals for *some* of the most important activities and accomplishments
- 11.7% Have *few, if any*, numeric goals for the most important activities and accomplishments

41. To which, if any, of the following organizations or groups does your organization report its **most important** accomplishments? (*Check all that apply.*)

- 92.8% Board of Directors (49-51)
- 28.9% Banking or thrift institutions
- 50.2% Foundations or private funding sources
- 30.0% Other investors (including institutions that lend to you)
- 14.4% CDFI Fund
- 61.8% Government (federal, state and/or local)
- 13.6% Trade associations
- 35.6% Members/customers
- 35.6% The general public
- 36.9% Community groups
- 2.6% Other (*Please specify.*)

42. Typically, how often, if at all, do you renegotiate key elements of your agreements with your funders in response to changes in market or community conditions? (*Check one.*)

- 27.6% Annually (62)
- 1.6% Every 5 years
- 45.1% As needed
- 2.1% Other (*Please specify.*)
- 18.9% Do not typically renegotiate agreements

43. Has there been an evaluation of your organization that measured the success or impact of your services? (*Check one.*)

- 56.3% Yes *Please continue* (63)
- 38.8% No → *Skip to Question 45*

44. Who conducted the most recent evaluation of your organization that measured the success or impact of your services? (*Check one.*)

- 27.4% Your organization's staff (64)
- 14.0% Researchers outside your organization who were paid by your organization
- 25.1% Researchers outside your organization who were paid by one of your funders
- 21.4% Researchers outside your organization who were paid by an entity that is independent of your organization (e.g., university, nonprofit, government, etc.)
- 12.0% Other (*Please specify.*)

Appendix III
GAO's Survey of Community Development
Financial Institutions

CDFI Fund

45. Did you receive a first round (1996) award from the CDFI Fund? (*Check one.*)

27 Yes

596 No → *Skip to Question 51*

(65)

46. After you received your first-round award from the CDFI Fund, how easy or difficult was it to specify the types of performance goals and measures that the Fund was looking for? (*Check one.*)

0 Very easy

9 Generally easy

13 Neither easy nor difficult

1 Generally difficult

4 Very difficult

(66)

47. How much assistance, if any, did the CDFI Fund provide in specifying your performance goals and measures in the assistance agreement for the first round? (*Check one.*)

2 Little, if any, assistance

8 Some assistance

10 Moderate amount of assistance

4 Much assistance

3 Very much assistance

(67)

48. Overall, how satisfied or dissatisfied are you with the negotiation process used by the CDFI Fund for the terms of the first round agreements you have with them concerning your performance goals and measures? (*Check one.*)

3 Very satisfied

8 Generally satisfied

7 Neither satisfied nor dissatisfied

7 Generally dissatisfied

2 Very dissatisfied

(68)

49. How easy or difficult was it to negotiate your entire assistance agreement with the CDFI Fund? (*Check one.*)

(69)

2 Very easy

5 Generally easy

6 Neither easy nor difficult

10 Generally difficult

4 Very difficult

50. In your opinion, how much have any funds you received from the CDFI Fund enabled you to increase your program services and client/customer base? (*Check one.*)

(70)

1 Little or no increase

7 Somewhat increased

8 Moderately increased

5 Greatly increased

5 Very greatly increased

1 Too early to tell

51. **Comments.** (Please include any additional comments you may have.)

(71)

→**Analysis Note:** Responses for Questions 45 to 50 are the number of awardees.

Thank you for your cooperation.

Major Contributors to This Report

Resources,
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Division, Washington,
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